
UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF TEXAS

Anita Morgan,

Plaintiff,

versus

HSBC Bank USA, N.A.,

Defendant.

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Civil Action 4:10-cv-2276

Opinion on Summary Judgment

1. *Introduction.*

In May 2007, Anita Morgan executed a Texas home-equity note. HSBC Bank USA, N.A., acquired the note in late 2007. Morgan fell behind on her payments in April of 2008. She signed an agreement to modify the loan and fell behind on those payments, defaulting again. HSBC is entitled to judgment.

2. *Eighty Percent Rule.*

Morgan claims the note violates the Texas Constitution. Texas prohibits the principal of the loan from being greater than eighty percent of the homestead's fair market value. The note was for \$116,000. Morgan acknowledged that the property's value was \$145,000. The note does not violate Texas law because \$116,000 is exactly eighty percent of \$145,000.

4. *Wrongful Foreclosure.*

Morgan says that HSBC wrongfully foreclosed because it did not hold the lien. The note shows that HSBC holds the lien. It was entitled to foreclose after Morgan defaulted.

5. *Personal Liability.*

Morgan claims that she is not personally liable for repayment. Morgan signed the note. She is the obligor. Her unconditional obligation to repay subsists.

6. *Conclusion.*

HSBC may foreclose on the land, recover its attorney's fees, and have a judgment for the deficiency. Morgan will take nothing.

7. *Show Cause Hearing.*

This suit having been brought without supporting facts or an honest presentation of the law, a hearing on sanctions will be held:

September 1, 2010
at 3:30 p.m. in
Courtroom 11-C, Eleventh Floor
United States Courthouse
515 Rusk Avenue
Houston, Texas 77002.

Attorneys' fees and any deficiencies will be discussed at the hearing.

Signed on August 24, 2010, at Houston, Texas.

A handwritten signature in black ink, appearing to read 'Lynn N. Hughes', written over a horizontal line.

Lynn N. Hughes
United States District Judge